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KANSAS STATE COMMERCE COMMISSION

LOAN AND SECURITY AGREEMENT

Dated as of March 15, 1995

Between

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely
as Trustee

DEBTOR

And

STATE FARM LIFE INSURANCE COMPANY

SECURED PARTY

(Kansas Rail Trust 1995)

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LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT dated as of March 15, 1995 (the "Loan Agreement") is made between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, but solely as Trustee (the "Debtor") under the Trust Agreement dated as of March 15, 1995 for the benefit of NORLEASE, INC., a Delaware corporation (the "Trustor"), Debtor's post office address being Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, and STATE FARM LIFE INSURANCE COMPANY, an Illinois corporation (together with its successors and assigns, the "Secured Party"), whose post office address is One State Farm Plaza, Bloomington, Illinois 61710.

R E C I T A L S:

The Debtor and the Secured Party have entered into a Participation Agreement dated as of March 15, 1995 (the "Participation Agreement") with The Kansas City Southern Railway Company, a Missouri corporation (the "Lessee"), and the Trustor providing for the commitment of the Secured Party to purchase on the Closing Dates (as defined in the Participation Agreement) therein provided not later than May 31, 1995, the 7.89% Secured Notes due May 31, 2007 of the Debtor not exceeding an aggregate principal amount of \$12,101,574.85 (the "Notes"). The Notes are to be dated the date of issue, to bear interest at the rate of 7.89% per annum prior to maturity, to be expressed to be payable in one installment of interest only payable from the date of issuance thereof to, but not including, May 31, 1995, or May 31, 1995 followed by 144 consecutive monthly installments payable in accordance with the amortization schedule set forth in Schedule 1 hereto payable on June 30, 1995 and on the last day of each month thereafter to and including May 31, 2007 and to be otherwise substantially in the form attached hereto as Exhibit A.

The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Loan Agreement or the Participation Agreement are hereinafter sometimes referred to as "indebtedness hereby Secured".

SECTION 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, Redemption Premium, if any, and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby Secured and the performance and observance of all of the Debtor's covenants and conditions in the

Notes and in this Loan Agreement and in the Participation Agreement contained and the payment of all amounts owing from, and the performance and observance of covenants and conditions contained in the Participation Agreement of, the Trustor, for the benefit of the Secured Party, does hereby convey, warrant, mortgage, assign, pledge and grant to the Secured Party, its successors and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof, subject always to those limitations set forth in Section 1.3 hereof; excluding, however, Excepted Rights in Collateral (as defined in Section 1.5 hereof) (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. The railroad equipment described in each supplement to this Loan Agreement, substantially in the form attached hereto as Schedule 2 (individually, a "Loan Agreement Supplement" and collectively, "the Loan Agreement Supplements") (collectively the "Equipment" or "Items of Equipment" and individually an "Item" or "Item of Equipment"), constituting the Equipment leased and delivered under that certain Equipment Lease dated as of March 15, 1995 (the "Lease") between the Debtor, as lessor, and the Lessee, as lessee; together with, in each case, all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, which become the property of the Debtor by the terms of the Bills of Sale, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, which become the property of the Debtor by the terms of the Lease, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation:

(a) the immediate and continuing right to receive and collect all Interim Rent, Fixed Rent, Supplemental Rent, Casualty Value payments and Termination Value payments (as each such term is defined in the Lease), insurance proceeds, condemnation awards, payments by the Seller in respect of warranty claims and other payments, tenders and security now or hereafter payable to or receivable by the Debtor as lessor under the Lease (except those sums reserved as Excepted Rights in Collateral under Section 1.5 hereof);

(b) the right to make all waivers and consents and to enter into any modifications or amendments relating to the

Lease and to give and receive duplicate copies of all notices and other instruments and communications; and

(c) the right to take such action upon the occurrence of an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, to give all notices of default under the Lease, and to do all other things whatsoever which the Debtor is or may be entitled to do as lessor under the Lease;

it being the intent and purpose hereof that, subject always to Excepted Rights in Collateral (as defined in Section 1.5 hereof), the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Secured Party shall have the right to collect and receive all rent, casualty value payments and termination value payments, if any, and other sums for application in accordance with the provisions of Section 4 hereof at all times during the period from and after the date of this Loan Agreement until the indebtedness hereby Secured has been fully paid and discharged.

1.3. Limitations to Security Interest. The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee in and to the Equipment under the Lease so long as no Event of Default thereunder has occurred and is continuing, (b) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith, and (c) liens and charges permitted by Section 9 of the Lease (collectively "Permitted Encumbrances").

1.4. Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay all the indebtedness hereby Secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Participation Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Loan Agreement shall become null and void; otherwise to remain in full force and effect.

1.5. Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Loan Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the "Excepted Rights in Collateral") and nothing herein or in any other agreement contained shall constitute an assignment of said Excepted Rights in Collateral to the Secured Party:

(a) all payments of any indemnity under the Tax Indemnity Agreement or Sections 6 and 10.2 of the Lease or repayments of interest thereon under Section 21.2 of the Lease which by the terms of any of such sections of the Lease are payable to the Debtor or the Trustor for its own account;

(b) all rights of the Debtor and the Trustor, respectively, under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor or the Trustor on account of any such indemnities or payments, referred to in paragraph (a) above and to such legal or equitable remedies to require the Lessee to maintain the insurance coverage referred to in paragraph (d) below; provided that the rights excepted and reserved by this paragraph (b) shall not be deemed to include the exercise of any remedy provided for in Section 14 of the Lease except those contained in Section 14.2(a) thereof;

(c) all rights, privileges and immunities of the Debtor and the Trustor, respectively, in respect of any insurance policies maintained by the Lessee pursuant to Section 11.1 of the Lease, together with any insurance proceeds payable under general public liability policies so maintained which by the terms of such policies or the terms of the Lease are payable for the benefit of the Debtor or the Trustor or directly to the Debtor or the Trustor for its own account;

(d) any insurance proceeds payable under insurance policies maintained by the Lessor or the Trustor as permitted by Section 21.7 of the Lease; and

(e) any payment of Supplemental Rent which represents fees or expenses of the Debtor or the Trustor payable by the Lessee under the Lease.

It is understood and agreed by the parties hereto and each and every holder from time to time of the Notes that any and all amounts payable under the Tax Indemnity Agreement dated as of March 15, 1995 between the Trustor and the Lessee in no respect constitute a part or portion of the Collateral.

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements of the Debtor set forth in the Participation Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be

executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Participation Agreement were fully set out in an amendment or supplement to this Loan Agreement. The Debtor undertakes to perform only such duties as are expressly and specifically set forth herein and in the other Operative Agreements (as defined in the Participation Agreement) and no implied obligations or covenants shall be read into this Loan Agreement or any other Operative Agreements against the Debtor.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend the title to the Collateral against all Lessor Liens attributable to it. The Debtor also agrees that it will, at its own cost and expense, without regard to the provisions of Section 7 hereof, pay or satisfy and discharge any such Lessor Liens, but the Debtor shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger in any material respect the title and interest of the Debtor or the security interest or other rights hereunder in and to the Equipment. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named and which the Debtor has signed, as debtor or mortgagor, now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. Upon request of the Secured Party, the Debtor will, at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will, pursuant to Section 16 of the Lease, notify the Lessee of the assignment hereunder and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease other than Excepted Rights in Collateral directly to the Secured Party or as the Secured Party may direct in writing.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the security interest

herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. Recordation and Filing. The Debtor will fully cooperate with the Lessee, at the Lessee's sole cost and expense, in connection with the Lessee's obligation pursuant to Section 10.1 of the Lease to cause this Loan Agreement and all supplements hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party in such manner and in such place as may be required by law in order to fully preserve and protect the rights of the Secured Party hereunder.

2.6. Modifications of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as to Excepted Rights in Collateral and as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) receive or collect any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate or grant a security interest in (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment, except in all cases as to any payment constituting Excepted Rights in Collateral; or

(c) without limiting the provisions of Section 3.5(d) of the Participation Agreement or Sections 6.11 or 6.12 of the Trust Agreement, sell, mortgage, transfer, assign or hypothecate or grant a security interest in (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.7. Power of Attorney in Respect of the Lease. Except with respect to Excepted Rights in Collateral and subject to the provisions of Section 5.3 hereof, the Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for, any and all rents,

income and other sums which are assigned under Sections 1.1 and 1.2 hereof, with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Notice of Default. Each party hereto covenants and agrees that it will give the other party hereto and the Trustor prompt written notice of any event or condition constituting an Event of Default under the Lease if, in the case of the Debtor, a "Responsible Officer" (as defined in Section 6.3 of the Trust Agreement) in the Corporate Trust Administration of the Debtor has actual knowledge of such event or condition, and in the case of the Secured Party, it has knowledge of an Event of Default under the provisions of Section 5.1 hereof.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1. Possession of Collateral. While no Event of Default has occurred and is continuing hereunder, the Debtor shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always, that the possession, enjoyment, control and use of the Equipment by the Debtor shall at all times be subject to the observance and performance of the terms of this Loan Agreement. It is expressly understood that the use and possession of the Equipment or any Item thereof by the Lessee under and subject to the Lease or by any sublessee under a Permitted Sublease shall not constitute a violation of this Section 3.1.

3.2. Release of Property. So long as no default referred to in Section 14 of the Lease has occurred and is continuing, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 11, 18 or 19 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee of all sums payable for such Item of Equipment in compliance with Sections 11, 18 or 19, as the case may be, of the Lease.

3.3. Protection of Purchaser. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party to execute the release, or to inquire as to any facts required by the

provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. APPLICATION OF ASSIGNED RENTS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Secured Party which constitute payment by the Lessee of Interim Rent or Fixed Rent or of Supplemental Rent under Section 2.1(b)(v) of the Lease shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes which have matured or will mature on or before the due date of the installments of rental which are received by the Secured Party, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor as promptly as practicable;

(b) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the "Casualty Value" for any Item of Equipment pursuant to Section 11 of the Lease shall be applied by the Secured Party as follows:

(i) First, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph (ii);

(ii) Second, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment of the Notes so that each of the remaining installments of each such Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such Notes immediately prior to the prepayment; and

(iii) Third, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i) and (ii)

shall be released to or upon the order of the Debtor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

For purposes of this Section 4.1(b) and Section 4.1(c) below, the "Loan Value" in respect of any Item of Equipment shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Purchase Price of all Items of Equipment then subject to the Lease (including the Purchase Price of such Item of Equipment for which settlement is then being made), times (B) the unpaid principal amount of the Notes immediately prior to the prepayment provided for in this Section 4.1(b) or Section 4.1(c), as the case may be (after giving effect to all payments of installments of principal made or to be made on the date of prepayment provided for in this Section 4.1(b) or Section 4.1(c), as the case may be);

(c) The amounts received by the Secured Party which constitute settlement by the Lessee of "Termination Value" for the Items of Equipment pursuant to Section 19.1 of the Lease shall be applied by the Secured Party as follows:

(i) First, to the payment of an amount equal to the accrued and unpaid interest on the Notes;

(ii) Second, an amount equal to the Loan Value shall be applied to the prepayment of principal on the Notes; and

(iii) Third, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Debtor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

On the date fixed for prepayment there will become due and payable upon each Note so to be paid at the place where the principal of the Notes to be paid is payable, the specified amount of principal thereof, together with the accrued interest to such date, as is payable thereon; provided, however, that in the event the required amounts are not received on the date fixed for prepayment pursuant to this Section 4.1(c), the Notes shall remain outstanding without prepayment or penalty.

(d) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance

maintained by the Lessee in respect of the Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing, the proceeds of such insurance shall, if the Item of Equipment is to be repaired or replaced, be released to the Debtor to reimburse the Lessee for expenditures made for such repair or replacement upon receipt by the Secured Party of a certificate of an authorized officer of the Lessee to the effect that any damage to such Item in respect of which such proceeds were paid has been fully repaired or such Item has been replaced in compliance with Section 11.4 of the Lease; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 270 days from the receipt thereof by the Secured Party, or if within such period the Lessee shall have notified the Secured Party in writing that the Lease is to be terminated in respect of such Item in accordance with the provisions of Section 11.2 of the Lease, then so long as no Event of Default hereunder has occurred and is continuing, the insurance proceeds shall be applied by the Secured Party as follows:

1. First, to the prepayment of the Notes, secured by such Equipment all in the manner and to the extent provided for by clauses First and Second of Section 4.1(b) hereof; and

2. Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (1) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

(e) Any amounts received by the Secured Party pursuant to such grant and assignment and not otherwise to be applied in accordance with the provisions of this Section 4.1 shall be released to or upon the order of the Debtor to be held or distributed by the Debtor in accordance with the other Operative Agreements.

4.2. Multiple Notes. If more than one Note is outstanding at the time any such application is made, such application shall be made on all outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

4.3. Default. If an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof (other than amounts constituting Excepted Rights in Collateral) shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral, but in all cases without Redemption Premium or other premium.

4.4. Funds Held by Secured Party. In the event any balance of amounts otherwise payable to or upon the order of the Debtor pursuant to Section 4.1 hereof shall be held by the Secured Party due to the occurrence and continuance of an event which could become an Event of Default hereunder or an Event of Default as to which no acceleration has occurred, then such balances (including any investment income thereon) shall be held by the Secured Party as part of the Collateral and invested as hereinafter in this Section 4.4 provided until the earliest to occur of (i) as to any such sum so withheld, the 180th day following the commencement of such withholding, or (ii) the date on which such event or Event of Default shall have been cured or waived, or (iii) such acceleration occurs. Upon the occurrence of an event referred to in clause (i) or (ii) above, such sum so withheld plus earnings thereon shall be distributed to or upon the order of the Debtor. In the event such acceleration occurs, such sum so withheld (including any investment income thereon) shall be applied in the manner provided in Section 5 in respect of the proceeds and avails of the Collateral. Funds held by the Secured Party pursuant to this Section 4.4 plus earnings thereon shall be invested by the Secured Party as directed from time to time in writing by the Debtor and at the expense and risk of the Debtor, but only in any of the following securities:

(a) direct obligations of the United States of America,
or

(b) obligations fully guaranteed by the United States of America, or

(c) certificates of deposit issued by, or bankers' acceptances of, or time deposits or a deposit account with, any bank, trust company or national banking association incorporated and doing business under the laws of the United States of America or one of the states thereof, having a combined capital and surplus of at least \$300,000,000 and having a rating of "B" or better from the Keefe Bank Watch Service, or

(d) commercial paper of the 10 largest finance companies incorporated in the United States, as determined by reference to the then most recently published Moody's Commercial Paper Record, which directly issue their own commercial paper and which are doing business under the laws of the United States of America or one of the states thereof and in each case

having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

5.1. Events of Default. The term "Event of Default" for all purposes of this Loan Agreement shall mean one or more of the following:

(a) The Debtor shall fail to pay the principal of, Redemption Premium, if any, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for ten business days;

(b) An Event of Default (as defined in the Lease) (other than an Event of Default solely relating to Excepted Rights in Collateral) shall have occurred and be continuing under the Lease;

(c) The Debtor or the Trustor shall fail to observe or perform any covenant or agreement to be observed or performed by the Debtor or the Trustor for the benefit of the Secured Party under this Loan Agreement or the Participation Agreement, and such default shall continue unremedied for 30 days after the earlier of (i) the date on which a responsible officer of the Debtor or the Trustor shall have actual knowledge of such failure or (ii) the date on which the Debtor or the Trustor shall have received written notice from the Secured Party specifying the default and demanding the same to be remedied;

(d) Any representation or warranty on the part of the Debtor or the Trustor made herein or in the Participation Agreement or in any certificate furnished to the Secured Party in connection with this Loan Agreement, the Lease or the Participation Agreement shall prove to be untrue in any material respect as of the date of the issuance or making thereof;

(e) The Debtor, the Trustor or the Trust Estate becomes insolvent or fails generally to pay its debts as such debts become due, or causes or suffers an order for relief to be entered against it under any applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a

custodian, trustee or receiver for the Debtor or the Trustor or for the major part of its property;

(f) A trustee or receiver is appointed for the Debtor, the Trustor or the Trust Estate or for the major part of its property and is not discharged within 60 days after such appointment; or

(g) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Debtor, the Trustor or the Trust Estate and, if instituted against the Debtor, the Trustor or the Trust Estate, are consented to or are not dismissed within 60 days after such institution.

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in Section 5.1 has occurred and is continuing, but subject always to Sections 5.3 and 7 hereof, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of Delaware (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, provided no Event of Default has occurred and is continuing thereunder, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and to exclude the Debtor wholly therefrom and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until

sold and shall otherwise exercise any and all rights and powers of the Debtor with respect thereto;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, provided no Event of Default has occurred and is continuing thereunder, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor, the Lessee and the Trustor once at least 10 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to; provided, however, that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the Debtor may bid and become the purchaser at any such sale;

(d) Subject always to the then existing rights, if any, of the Lessee under the Lease, provided no Event of Default shall have occurred and be continuing thereunder, the Secured Party may proceed to protect and enforce this Loan Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or subject to the provisions of Section 7 hereof, for the recovery of judgment for the indebtedness hereby Secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, provided no Event of Default shall have occurred and be continuing thereunder, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. Certain Rights of the Debtor and the Trustor. Anything to the contrary contained in this Loan Agreement notwithstanding, including, without limitation, Section 5.2 hereof:

(a) Right to Cure. The Secured Party shall give the Debtor, the Trustor and the Lessee written notice of any Event of Default of which the Secured Party has knowledge and if such Event of Default arises out of the nonpayment of Interim Rent or Fixed Rent under the Lease or out of such other Event of Default under the Lease which can be cured by the payment of money, the Secured Party shall give the Debtor and the Trustor not less than twelve (12) days prior written notice of the date (the "Enforcement Date") on or after which the Secured Party will exercise any remedy or remedies pursuant to Section 5.2 hereof, or the remedy of terminating the Lease pursuant to the provisions of Section 14.2 thereof. If such an Event of Default shall have occurred and be continuing, the Debtor and Trustor shall have the following rights hereunder:

(i) Interim Rent and Fixed Rent. In the event of the occurrence of an Event of Default resulting from the failure of the Lessee to pay Interim Rent or Fixed Rent, on or prior to the Enforcement Date the Debtor or the Trustor may, but shall not be obligated to, pay to the Secured Party an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes, and unless the Debtor and/or the Trustor has cured Events of Default in respect of the six (6) immediately preceding payments of Fixed Rent or Interim Rent or any twelve (12) Events of Default in respect of the payment of Interim Rent or Fixed Rent, such payment by the Debtor or the Trustor under this Section 5.3(a), solely for the purpose of determining whether an Event of Default is continuing hereunder, shall cure any Event of Default hereunder which would otherwise have arisen on account of such nonpayment by the Lessee of such installment of Interim Rent or Fixed Rent under the Lease, including any Event of Default pursuant to Section 5.1(b) hereof.

(ii) Other Defaults. In the event that an Event of Default (other than a default in the payment of Interim Rent or Fixed Rent) has occurred under the Lease which can be cured by the payment of money, including the purchase of such goods and/or services from such Persons as shall be necessary to fulfill the required observance or performance, on or prior to the Enforcement Date, the Debtor or the Trustor may, but shall not be obligated to, solely for the purpose of determining whether an Event of Default is continuing hereunder, cure such Event of Default under the Lease by making such payment to such Person as is necessary to accomplish the observance or

performance of the defaulted covenant, condition or agreement.

(iii) Subrogation. The Debtor and the Trustor shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Debtor or the Trustor against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Secured Party in and to the Collateral. Upon such payment by the Debtor or the Trustor of the amount of principal and interest then due and payable on the Notes, the Debtor shall be subrogated to the rights of the Secured Party in respect of any Interim Rent or Fixed Rent which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Secured Party of such Interim Rent or Fixed Rent and such interest, the Debtor shall be entitled to receive such Interim Rent or Fixed Rent and interest upon receipt thereof by the Secured Party; provided that (1) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 5.2(a) hereof, such subrogation shall, until principal of and interest on all Notes shall have been paid in full, be subordinate to the rights of the Secured Party in respect of such payment of Interim Rent or Fixed Rent and such interest prior to receipt by the Debtor of any amount pursuant to such subrogation, and (2) the Debtor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) Option to Purchase Notes. At any time (i) after the Notes have been declared due and payable pursuant to Section 5.2(a), or have otherwise pursuant to Section 5.4 become due and payable, or (ii) after an Event of Default under the Lease shall have occurred and been continuing for 180 days from the date of such Event of Default under the Lease and the Secured Party shall not have exercised any significant remedy in good faith pursuant to Section 14 of the Lease, or (iii) after the giving of any notice of termination of the Lease pursuant to the first sentence of Section 5.3(a), so long as any such notice shall not have been withdrawn by written notice to the Debtor and the Trustor, upon five days prior written notice to the Secured Party, the Secured Party agrees that it will, upon receipt from the Debtor or its nominee on the date specified

in such notice which shall not be less than five days from the date of such notice (the "Payment Date") of an amount equal to the aggregate unpaid principal amount of all Notes then held by the Secured Party, together with accrued interest thereon to the date of payment, if any, plus (in the case of any such Payment Date that occurs after the 180th day following an Event of Default under Section 14.1(a), 14.1(b), 14.1(e) with respect to the failure to maintain the Equipment in the manner set forth in Section 11 of the Lease, 14.1(g), 14.1(h), 14.1(i) of the Lease but before the 360th day following such Event of Default, and in the case of all other Events of Default before the 540th day following such Event of Default) Redemption Premium, plus all other sums then due and payable to the Secured Party hereunder or under the Participation Agreement, the Lease or such Notes, forthwith sell, assign, transfer and convey to the Debtor or its nominee on or before the Payment Date (without recourse or warranty of any kind except as to title and as against liens on such Notes arising by, through or under the Secured Party), all of the right, title and interest of the Secured Party in and to the Notes held by the Secured Party, and the Debtor or its nominee shall assume all of the Secured Party's obligations under the Participation Agreement, provided, the Debtor or its nominee on or before the Payment Date shall so purchase all of the Notes then outstanding hereunder.

(c) Enforcement of Lease Remedies. The Secured Party shall not foreclose the Lien of this Loan Agreement pursuant to any of the remedies contained in Section 5.2 hereof or otherwise divest the Debtor of title to any Item of Equipment solely as a result of an Event of Default occurring under Section 5.1(b) hereof (at a time when no other Event of Default hereunder unrelated to such Section 5.1(b) default shall have occurred and be continuing) unless the Secured Party has proceeded, or is then currently proceeding, to the extent it is then entitled to do so hereunder and under the Lease and is not then stayed or otherwise prevented from doing so by operation of law, to exercise one (or more, as it shall in its good faith discretion determine) of the significant remedies referred to in Section 14 of the Lease);

(d) Shared Rights. The Debtor and the Trustor will at all times retain, but not to the exclusion of the Secured Party, the rights (i) to receive from the Lessee all notices, copies of documents and other information which the Lessee is permitted or required to give or furnish to the Debtor and/or the Trustor pursuant to the Operative Agreements, (ii) to inspect the Equipment and the books and records of the Lessee to the extent provided in the Operative Agreements, (iii) to obtain excess insurance for its own account; and (iv) to enforce performance of the covenants of the Lessee under the Lease with respect to the maintenance of the Equipment;

provided that the rights retained by this clause (iv) shall not be deemed to include the exercise of any remedy provided for in Section 14 of the Lease except those contained in Section 14.2(a) thereof;

(e) Options. So long as no Event of Default hereunder has occurred and is continuing, the Debtor and the Trustor will retain, to the exclusion of the Secured Party, the right to exercise the rights, elections and options of the Debtor to make any decision or determination and to give any notice, consent, waiver or approval with respect to any options under Section 18 of the Lease;

(f) Amendments, Waivers, etc. So long as no Event of Default hereunder has occurred and is continuing, the Debtor and the Trustor will retain, but not to the exclusion of the Secured Party, the right to exercise the rights, elections and options of the Debtor to make any decision or determination, to consent to any amendment, supplement or modification and to give any notice, consent, waiver, or approval under the Lease or which any other Operative Agreement confers upon the Debtor or the Trustor, and upon the occurrence and continuance of an Event of Default, all such rights may be exercised solely by the Secured Party; and

(g) Excepted Rights in Collateral. The Debtor and the Trustor will retain, to the exclusion of the Secured Party, all rights to Excepted Rights in Collateral, including the right to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor or the Trustor on account of any such Excepted Rights in Collateral; provided that the rights retained by this clause (g) shall not be deemed to include the exercise of any remedy provided for in Section 14 of the Lease except those contained in Section 14.2(a) thereof.

Notwithstanding anything in this Section 5.3 or this Loan Agreement to the contrary, without the prior written consent of the other such party, neither the Debtor nor the Secured Party shall amend or consent to any amendment of, or waive or modify, any provision of any Operative Agreement if such amendment, waiver or modification would have a material adverse effect on the interests of the other such party.

5.4. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Loan Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price,

shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes held by such purchaser, including principal and interest thereof, out of the net proceeds of such sale.

5.5. Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Loan Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

5.6. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

5.7. Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper compensation, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, owed to or incurred or made hereunder by, the Secured Party and of all taxes, assessments or liens superior to the lien of these

presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the Secured Party of the amount then owing or unpaid on the Notes for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest with application on each Note to be made, first, to the unpaid interest thereon, and second, to unpaid principal thereof; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

5.8. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Loan Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor and the Secured Party shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Loan Agreement.

5.9. Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness hereby Secured operate to prejudice, waive or affect the security of this Loan Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 6. [Intentionally Omitted].

SECTION 7. LIMITATIONS OF LIABILITY.

It is expressly understood and agreed by and between the Debtor, the Trustor, the Secured Party and their respective successors and assigns that, except as expressly provided in Section 2.2 hereof, this Loan Agreement is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Trustor, or for the purpose or with the intention of binding Wilmington Trust Company or the Trustor in its individual capacity or personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Loan Agreement is executed and delivered by Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Trustee under the Trust Agreement, that actions to be taken by the Debtor pursuant to its obligations hereunder may, in certain instances, be taken by the Debtor only upon specific authority of the Trustor, that nothing herein contained shall be construed as creating any liability on Wilmington Trust Company or the Trustor, in its individual capacity or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, employee, officer or director of, Wilmington Trust Company or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Secured Party and by any person claiming by, through or under the Secured Party, and that so far as Wilmington Trust Company or the Trustor, in its individual capacity or personally are concerned, the Secured Party and any person claiming by, through or under the Secured Party shall look solely to the Collateral for the performance of any obligation under any of the instruments referred to herein; provided, however, that except as herein provided, nothing in this Section 7 shall be construed to limit or otherwise modify the rights and remedies of the Secured Party contained in Section 5 hereof, and provided, further, that nothing contained in this Section 7 shall be construed to limit the liability of Wilmington Trust Company in its individual capacity for any breach of any representations or warranties of Wilmington Trust Company in its individual capacity set forth herein or to limit the liability of Wilmington Trust Company for gross negligence or willful misconduct. Any obligation of the Debtor hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Loan Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

SECTION 8. MISCELLANEOUS.

8.1. Registration and Execution. The Notes shall be registered as to principal and interest and shall be signed on behalf of the Debtor by its President or any Vice President or any other officer of the Debtor who, at the date of the actual execution thereof, shall be a proper officer to execute the same.

8.2. Payment of the Notes. (a) The principal of, Redemption Premium, if any, and interest on the Notes shall be payable by wire transfer of immediately available funds, in the case of the Secured Party, as provided in Section 8.10 or as the Secured Party shall otherwise designate. All payments so made shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sums so paid. The Secured Party by its acceptance of any Note agrees that, before selling, transferring or otherwise disposing of such Note, it will present such Note to the Debtor for transfer and notation as provided in Sections 8.4 and 8.5.

(b) All amounts constituting payment of the installments of rental under the Lease or Casualty Value or Termination Value received by the Secured Party and applied on the Notes pursuant to Section 4 hereof shall be valid and effectual to satisfy and discharge the liability upon such Notes to the extent of the amounts so received and applied.

8.3. The Register. The Debtor will keep at its principal office a register for the registration and transfer of Notes (herein called the "Register"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register, with copies to be provided by the Debtor to the Secured Party upon the request of the Secured Party.

8.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes.

(a) The Secured Party may transfer any Note only upon the surrender thereof at the principal corporate office of the Debtor. Thereupon, the Debtor shall execute in the name of the transferee a new Note or Notes, in denominations not less than \$250,000 in aggregate principal amount (or such lesser amount as shall constitute 100% of the outstanding principal amount of the Secured Party's Notes), equal to the unpaid principal amount of the Note so surrendered and deliver such new Note or Notes to such transferee.

(b) The Secured Party may surrender any Note or Notes at the principal office of the Debtor, accompanied by a written request for a new Note or Notes in the same aggregate

principal amount as the then unpaid principal amount of the Note or Notes so surrendered and in denominations of \$250,000 (or such lesser amount as shall constitute 100% of the outstanding principal amount of the Secured Party's Notes so surrendered), or such amount in excess thereof as may be specified in such request. Thereupon, the Debtor shall execute in the name of the Secured Party a new Note or Notes in the denomination or denominations so requested (but not less than \$250,000 except as provided above) and in the aggregate principal amount equal to the aggregate unpaid principal amount of the Note or Notes so surrendered and deliver such new Note or Notes to the Secured Party.

(c) All Notes presented or surrendered for exchange or transfer shall be accompanied (if so required by the Debtor) by a written instrument or instruments of assignment or transfer, in form satisfactory to the Debtor, duly executed by the Secured Party or by its attorney duly authorized in writing. The Debtor shall not be required to make a transfer or an exchange of any Note for a period of ten days preceding any installment payment date with respect thereto. The Debtor may absolutely rely on any signature purporting to be correct and shall have no duty of inquiry upon any such presentation or surrender of Notes for exchange or transfer.

(d) No notarial act shall be necessary for the transfer or exchange of any Note pursuant to this Section 8.4, and the transferee shall be entitled to any and all rights and privileges granted under this Loan Agreement to the Secured Party.

(e) In case any Note shall become mutilated or be destroyed, lost or stolen, the Debtor, upon the written request of the Secured Party, shall execute and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Debtor such security or indemnity as may be required by the Debtor to save it harmless from all risks, and the applicant shall also furnish to the Debtor evidence to its satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Debtor may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Debtor such security or indemnity as the Debtor may require to save it harmless, and shall furnish evidence to the satisfaction of the Debtor of the mutilation, destruction, loss or theft of such Note and the ownership thereof. If the Secured Party, or its nominee, is the owner

of any the such, stolen or destroyed Note, then the affidavit of the president, vice president, treasurer or assistant treasurer of the Secured Party setting forth the fact of loss, theft or destruction and of its ownership of the Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of the Secured Party to indemnify the Debtor for any claims or action against it (and for its attorney's fees) resulting from the issuance of such new Note or the reappearance of the old Note.

(f) Any transferee of a Note, or purchaser of a participation therein, shall make the same representations to the Lessee, the Trustor, the Debtor and the Secured Party regarding the Note or participation as the original Note Purchaser made pursuant to Sections 3.5(a) and 3.5(b) of the Participation Agreement. The provisions of Section 3.5(e) of the Participation Agreement (which are restrictions on the transfer of the Notes) are hereby incorporated herein as though set forth in full and shall be binding upon any such transferee or purchaser.

8.5. The New Notes.

(a) Each new Note (herein, in this Section 8.5, called a "New Note") issued pursuant to Section 8.4(a), (b) or (e) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 8.5, called an "Old Note") shall be dated the date of such Old Note. The Secured Party shall mark on each New Note (i) the dates to which principal and interest have been paid on such Old Note, (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original aggregate principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 8.4(a), (b) or (e), the Debtor may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Debtor.

(c) All New Notes issued pursuant to Section 8.4(a), (b) or (e) in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Debtor evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Loan Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Loan Agreement the Trustor shall prepare and deliver to the Secured Party an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment.

8.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Debtor for cancellation or, if surrendered to the Debtor, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Loan Agreement.

8.7. Registered Owner. The person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Loan Agreement and the Debtor shall not be affected by any notice to the contrary. Payment of or on account of the principal of, Redemption Premium, if any, and interest on such Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Debtor may deem and treat the registered owner of any Note as the owner thereof without production of such Note.

8.8. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

8.9. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Loan Agreement shall not render any other provision herein contained unenforceable or invalid, provided that nothing contained in this Section 8.9 shall be construed to be in derogation of any rights or immunities of the Debtor in its individual capacity or of the Trustor under Section 7 hereof, or to amend or modify any limitations or restrictions of the Secured Party or its successors or assigns under said Section 7.

8.10. Communications. All communications provided for herein shall be in writing, delivered or mailed by prepaid

registered or certified mail or overnight air courier, or by facsimile communication (with a copy sent on the same day by overnight air courier), addressed as follows:

If to the Debtor:	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Telecopy: (302) 651-8882 (with a copy of such communication to the Trustor)
If to the Trustor:	NorLease, Inc. 50 South LaSalle Street Chicago, Illinois 60675 Attention: President Telecopy: (312) 630-1448
If to the Secured Party:	State Farm Life Insurance Company One State Farm Plaza Bloomington, Illinois 61710 Attention: Investment Department E-10 Telecopy: (309) 766-7423
If to the Lessee:	The Kansas City Southern Railway Company 114 West Eleventh Street Kansas City, Missouri 64105-1804 Attention: Vice President- Finance Telecopy: (816) 556-0227

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section 8.10 to the other parties.

8.11. Amendments. (a) This Loan Agreement may, from time to time and at any time, be amended or supplemented by an instrument or instruments in writing executed by the parties hereto.

(b) So long as no Event of Default under the Lease shall have occurred and be continuing, the Debtor and the Secured Party shall not enter into an amendment or supplement to this Loan Agreement which would materially and adversely affect any right,

privilege or interest of the Lessee under the Lease without the written consent of the Lessee to such amendment or supplement.

8.12. Release. The Secured Party shall release this Loan Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness hereby Secured has been fully paid or discharged.

8.13. Redemption Premium. (a) The "Redemption Premium" to be paid pursuant to Section 5.3(b) shall be a premium equal to the amount (but not less than zero) equal to the excess, if any, of (i) the sum of the Present Values (as hereinafter defined) of (A) each installment of principal that would have been required to be made on each Rent Payment Date pursuant to this Loan Agreement in respect of the principal amount of the Note being prepaid, (B) the principal payment of such Note to be paid upon maturity (assuming each required installment of principal is paid when due) and (C) the amount of interest (other than accrued interest being paid concurrently with required installment of principal) that would have been payable on each Rent Payment Date on the amount of installment of principal being prepaid (assuming each required installment of principal, and the principal balance of such Note payable upon maturity and interest payments were paid when due), less (ii) the principal amount of such Note being prepaid. For purposes hereof, "Present Value" shall be determined to the date of prepayment in accordance with generally accepted financial practice in the United States of America on a monthly basis at a discount rate equal to the sum of the applicable Treasury Yield plus 0.50%; and the "Treasury Yield" for such purpose shall be determined by reference to the yield for the actively-traded U.S. Treasury security having a constant maturity equal to the then-remaining weighted average life to maturity (determined in accordance with generally accepted financial practice in the United States of America) of such Note at approximately 11:00 A.M., New York City time, on the third Business Day prior to the date of such prepayment of such Note, as reported by Telerate Access Service (page 5 or the relevant page at the date of determination indicating such yields or, if such data ceases to be available, any publicly available source of similar market data); provided that if such then-remaining weighted average life to maturity is not equal to the maturity of an actively traded U.S. Treasury security, such yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields for the two most closely corresponding actively traded U.S. Treasury securities having a constant maturity next longer and shorter than such then-remaining weighted average life.

8.14. Governing Law. This Loan Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of law; provided, however, that the Debtor and the Secured Party shall

be entitled to all the rights conferred by any applicable Federal statute, rule or regulation.

8.15. Counterparts. This Loan Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Loan Agreement.

8.16. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Loan Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this Loan Agreement to be executed, as of the day and year first above written.

WILMINGTON TRUST COMPANY, not
in its individual capacity
but solely as Trustee

By: [Signature]
Its: Financial Services Officer

ATTEST:

By: [Signature]
Its: V.P.

STATE FARM LIFE INSURANCE
COMPANY,
as Secured Party

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this Loan Agreement to be executed, as of the day and year first above written.

WILMINGTON TRUST COMPANY, not
in its individual capacity
but solely as Trustee

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

STATE FARM LIFE INSURANCE
COMPANY,
as Secured Party

By: John J. Concklin
Its: Investment Officer

ATTEST:

By: John J. Concklin
Its: Investment Officer


By: _____
Its: _____

ATTEST:

By: _____
Its: _____

STATE OF DELAWARE)
) ss:
NEW CASTLE COUNTY)

On this 26th day of March, 1995, before me personally appeared Emmett R. Harmon and W. Chris Sponenberg, to me personally known, who being by me duly sworn, say that they are Vice President and Financial Services Officer, respectively, of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[NOTARIAL SEAL]

KATHLEEN A. PEDELINI
NOTARY PUBLIC

My commission expires: My Commission expires October 31, 1998

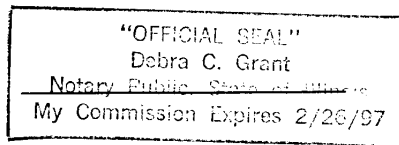
STATE OF ILLINOIS)
) SS
COUNTY OF MCLEAN)

On this 21st day of March, 1995 before me personally appeared John S. Conklin & Lyle Triebwasser, to me personally known, who being by me duly sworn, says that they are Investment Officers of State Farm Life Insurance Company, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debra C. Grant
Notary Public

(SEAL)

My commission expires:



SCHEDULE 1
(to Loan and Security Agreement)

AMORTIZATION SCHEDULE

Per \$1,000,000 of Principal

Date	Takedown	Principal Repayment	Interest	Debt Service	Balance
5/31/1995	1000000.00	.00	.00	.00	1000000.00
6/30/1995	.00	4189.30	6575.00	10764.30	995810.70
7/31/1995	.00	4216.84	6547.46	10764.30	991593.86
8/31/1995	.00	4244.57	6519.73	10764.30	987349.29
9/30/1995	.00	4272.48	6491.82	10764.30	983076.81
10/31/1995	.00	4300.57	6463.73	10764.30	978776.24
11/30/1995	.00	4328.85	6435.45	10764.30	974447.39
12/31/1995	.00	4357.31	6406.99	10764.30	970090.08
1/31/1996	.00	4385.96	6378.34	10764.30	965704.12
2/29/1996	.00	4414.80	6349.50	10764.30	961289.32
3/31/1996	.00	4443.82	6320.48	10764.30	956845.50
4/30/1996	.00	4473.04	6291.26	10764.30	952372.46
5/31/1996	.00	4502.45	6261.85	10764.30	947870.01
6/30/1996	.00	4532.05	6232.25	10764.30	943337.96
7/31/1996	.00	4561.85	6202.45	10764.30	938776.11
8/31/1996	.00	4591.85	6172.45	10764.30	934184.26
9/30/1996	.00	4622.04	6142.26	10764.30	929562.22
10/31/1996	.00	4652.43	6111.87	10764.30	924909.79
11/30/1996	.00	4683.02	6081.28	10764.30	920226.77
12/31/1996	.00	4713.81	6050.49	10764.30	915512.96
1/31/1997	.00	4744.80	6019.50	10764.30	910768.16
2/28/1997	.00	4776.00	5988.30	10764.30	905992.16
3/31/1997	.00	4807.40	5956.90	10764.30	901184.76
4/30/1997	.00	4839.01	5925.29	10764.30	896345.75
5/31/1997	.00	4870.83	5893.47	10764.30	891474.92
6/30/1997	.00	4902.85	5861.45	10764.30	886572.07
7/31/1997	.00	4935.09	5829.21	10764.30	881636.98
8/31/1997	.00	4967.54	5796.76	10764.30	876669.44
9/30/1997	.00	5000.20	5764.10	10764.30	871669.24
10/31/1997	.00	5033.07	5731.23	10764.30	866636.17
11/30/1997	.00	5066.17	5698.13	10764.30	861570.00
12/31/1997	.00	5099.48	5664.82	10764.30	856470.52
1/31/1998	.00	5133.01	5631.29	10764.30	851337.51
2/28/1998	.00	5166.76	5597.54	10764.30	846170.75
3/31/1998	.00	5200.73	5563.57	10764.30	840970.02
4/30/1998	.00	5234.92	5529.38	10764.30	835735.10
5/31/1998	.00	5269.34	5494.96	10764.30	830465.76
6/30/1998	.00	5303.99	5460.31	10764.30	825161.77
7/31/1998	.00	5338.86	5425.44	10764.30	819822.91

SCHEDULE 1
(to Loan and Security Agreement)

AMORTIZATION SCHEDULE

Per \$1,000,000 of Principal

Date	Takedown	Principal Repayment	Interest	Debt Service	Balance
8/31/1998	.00	5373.96	5390.34	10764.30	814448.95
9/30/1998	.00	5409.30	5355.00	10764.30	809039.65
10/31/1998	.00	5444.86	5319.44	10764.30	803594.79
11/30/1998	.00	5480.66	5283.64	10764.30	798114.13
12/31/1998	.00	5516.70	5247.60	10764.30	792597.43
1/31/1999	.00	5552.97	5211.33	10764.30	787044.46
2/28/1999	.00	5589.48	5174.82	10764.30	781454.98
3/31/1999	.00	5626.23	5138.07	10764.30	775828.75
4/30/1999	.00	5663.23	5101.07	10764.30	770165.52
5/31/1999	.00	5700.46	5063.84	10764.30	764465.06
6/30/1999	.00	5737.94	5026.36	10764.30	758727.12
7/31/1999	.00	5775.67	4988.63	10764.30	752951.45
8/31/1999	.00	5813.64	4950.66	10764.30	747137.81
9/30/1999	.00	5851.87	4912.43	10764.30	741285.94
10/31/1999	.00	5890.34	4873.96	10764.30	735395.60
11/30/1999	.00	5929.07	4835.23	10764.30	729466.53
12/31/1999	.00	5968.06	4796.24	10764.30	723498.47
1/31/2000	.00	6007.30	4757.00	10764.30	717491.17
2/29/2000	.00	6046.80	4717.50	10764.30	711444.37
3/31/2000	.00	6086.55	4677.75	10764.30	705357.82
4/30/2000	.00	6126.57	4637.73	10764.30	699231.25
5/31/2000	.00	6166.85	4597.45	10764.30	693064.40
6/30/2000	.00	6207.40	4556.90	10764.30	686857.00
7/31/2000	.00	6248.22	4516.08	10764.30	680608.78
8/31/2000	.00	6289.30	4475.00	10764.30	674319.48
9/30/2000	.00	6330.65	4433.65	10764.30	667988.83
10/31/2000	.00	6372.27	4392.03	10764.30	661616.56
11/30/2000	.00	6414.17	4350.13	10764.30	655202.39
12/31/2000	.00	6456.34	4307.96	10764.30	648746.05
1/31/2001	.00	6498.79	4265.51	10764.30	642247.26
2/28/2001	.00	6541.52	4222.78	10764.30	635705.74
3/31/2001	.00	6584.53	4179.77	10764.30	629121.21
4/30/2001	.00	6627.83	4136.47	10764.30	622493.38
5/31/2001	.00	6671.41	4092.89	10764.30	615821.97
6/30/2001	.00	6715.27	4049.03	10764.30	609106.70
7/31/2001	.00	6759.42	4004.88	10764.30	602347.28
8/31/2001	.00	6803.87	3960.43	10764.30	595543.41
9/30/2001	.00	6848.60	3915.70	10764.30	588694.81
10/31/2001	.00	6893.63	3870.67	10764.30	581801.18
11/30/2001	.00	6938.96	3825.34	10764.30	574862.22
12/31/2001	.00	6984.58	3779.72	10764.30	567877.64
1/31/2002	.00	7030.50	3733.80	10764.30	560847.14
2/28/2002	.00	7076.73	3687.57	10764.30	553770.41
3/31/2002	.00	7123.26	3641.04	10764.30	546647.15

SCHEDULE 1
(to Loan and Security Agreement)

AMORTIZATION SCHEDULE

Per \$1,000,000 of Principal

Date	Takedown	Principal Repayment	Interest	Debt Service	Balance
4/30/2002	.00	7170.09	3594.21	10764.30	539477.06
5/31/2002	.00	7217.24	3547.06	10764.30	532259.82
6/30/2002	.00	7264.69	3499.61	10764.30	524995.13
7/31/2002	.00	7312.46	3451.84	10764.30	517682.67
8/31/2002	.00	7360.54	3403.76	10764.30	510322.13
9/30/2002	.00	7408.93	3355.37	10764.30	502913.20
10/31/2002	.00	7457.65	3306.65	10764.30	495455.55
11/30/2002	.00	7506.68	3257.62	10764.30	487948.87
12/31/2002	.00	7556.04	3208.26	10764.30	480392.83
1/31/2003	.00	7605.72	3158.58	10764.30	472787.11
2/28/2003	.00	7655.72	3108.58	10764.30	465131.39
3/31/2003	.00	7706.06	3058.24	10764.30	457425.33
4/30/2003	.00	7756.73	3007.57	10764.30	449668.60
5/31/2003	.00	7807.73	2956.57	10764.30	441860.87
6/30/2003	.00	7859.06	2905.24	10764.30	434001.81
7/31/2003	.00	7910.74	2853.56	10764.30	426091.07
8/31/2003	.00	7962.75	2801.55	10764.30	418128.32
9/30/2003	.00	8015.11	2749.19	10764.30	410113.21
10/31/2003	.00	8067.81	2696.49	10764.30	402045.40
11/30/2003	.00	8120.85	2643.45	10764.30	393924.55
12/31/2003	.00	8174.25	2590.05	10764.30	385750.30
1/31/2004	.00	8227.99	2536.31	10764.30	377522.31
2/29/2004	.00	8282.09	2482.21	10764.30	369240.22
3/31/2004	.00	8336.55	2427.75	10764.30	360903.67
4/30/2004	.00	8391.36	2372.94	10764.30	352512.31
5/31/2004	.00	8446.53	2317.77	10764.30	344065.78
6/30/2004	.00	8502.07	2262.23	10764.30	335563.71
7/31/2004	.00	8557.97	2206.33	10764.30	327005.74
8/31/2004	.00	8614.24	2150.06	10764.30	318391.50
9/30/2004	.00	8670.88	2093.42	10764.30	309720.62
10/31/2004	.00	8727.89	2036.41	10764.30	300992.73
11/30/2004	.00	8785.27	1979.03	10764.30	292207.46
12/31/2004	.00	8843.04	1921.26	10764.30	283364.42
1/31/2005	.00	8901.18	1863.12	10764.30	274463.24
2/28/2005	.00	8959.70	1804.60	10764.30	265503.54
3/31/2005	.00	9018.61	1745.69	10764.30	256484.93
4/30/2005	.00	9077.91	1686.39	10764.30	247407.02
5/31/2005	.00	9137.60	1626.70	10764.30	238269.42
6/30/2005	.00	9197.68	1566.62	10764.30	229071.74
7/31/2005	.00	9258.15	1506.15	10764.30	219813.59
8/31/2005	.00	9319.03	1445.27	10764.30	210494.56
9/30/2005	.00	9380.30	1384.00	10764.30	201114.26
10/31/2005	.00	9441.97	1322.33	10764.30	191672.29
11/30/2005	.00	9504.05	1260.25	10764.30	182168.24

SCHEDULE 1
(to Loan and Security Agreement)

AMORTIZATION SCHEDULE

Per \$1,000,000 of Principal

Date	Takedown	Principal Repayment	Interest	Debt Service	Balance
12/31/2005	.00	9566.54	1197.76	10764.30	172601.70
1/31/2006	.00	9629.44	1134.86	10764.30	162972.26
2/28/2006	.00	9692.76	1071.54	10764.30	153279.50
3/31/2006	.00	9756.49	1007.81	10764.30	143523.01
4/30/2006	.00	9820.64	943.66	10764.30	133702.37
5/31/2006	.00	9885.21	879.09	10764.30	123817.16
6/30/2006	.00	9950.20	814.10	10764.30	113866.96
7/31/2006	.00	10015.62	748.68	10764.30	103851.34
8/31/2006	.00	10081.48	682.82	10764.30	93769.86
9/30/2006	.00	10147.76	616.54	10764.30	83622.10
10/31/2006	.00	10214.48	549.82	10764.30	73407.62
11/30/2006	.00	10281.64	482.66	10764.30	63125.98
12/31/2006	.00	10349.25	415.05	10764.30	52776.73
1/31/2007	.00	10417.29	347.01	10764.30	42359.44
2/28/2007	.00	10485.79	278.51	10764.30	31873.65
3/31/2007	.00	10554.73	209.57	10764.30	21318.92
4/30/2007	.00	10624.13	140.17	10764.30	10694.79
5/31/2007	.00	10694.79	70.32	10765.11	.00
=====					
Total	1000000.00	1000000.00	550060.01	1550060.01	

SCHEDULE 2

LOAN AND SECURITY AGREEMENT
SUPPLEMENT NO. ____

LOAN AND SECURITY AGREEMENT SUPPLEMENT NO. ____ dated _____, 19__ (this "Supplement"), by and between WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Trustee (the "Debtor"), and STATE FARM LIFE INSURANCE COMPANY (the "Secured Party").

RECITAL:

The Loan and Security Agreement, dated as of March 15, 1995 (herein, together with any amendments and supplements heretofore made thereto, called the "Security Agreement"), between the parties hereto, provides for the execution and delivery on each Closing Date (such term and other defined terms in the Security Agreement being herein used with the same meanings) of a Supplement thereto substantially in the form hereof, which shall particularly describe the Items of Equipment being acquired on such Closing Date and shall specifically grant and confirm a security interest in such Items of Equipment to the Secured Party;

NOW, THEREFORE, the Debtor in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the payment of the principal of and interest and Redemption Premium, if any, on the Notes at any time outstanding under the Security Agreement according to their tenor and effect, and to secure the payment of all other indebtedness hereby Secured and the performance and observance of all the Debtor's covenants and conditions contained in any Note, the Security Agreement and the Participation Agreement, does hereby convey, warrant, mortgage, assign and pledge unto the Secured Party, its successors and assigns, and grant to the Secured Party, its successors and assigns a security interest in, forever, all and singular of the Debtor's right, title and interest in the Items of Equipment described in Schedule 1 attached hereto, whether now owned by the Debtor or hereafter acquired, leased or intended to be leased under the Lease, together with all accessories, equipment, parts and appurtenances appertaining or attached to such Items of Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Items of Equipment, together with all the rents, issues, income, profits and avails therefrom, in each case excepting such thereof as remain the property of the Lessee under the Lease.

TO HAVE AND TO HOLD the aforesaid property unto the Secured Party, its successors and assigns forever, upon the terms and

conditions set forth in the Security Agreement for its benefit, security and protection.

This Supplement shall be construed in connection with and as part of the Security Agreement and all terms, conditions and covenants contained in the Security Agreement, except as herein modified, shall be and remain in full force and effect.

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the "Security Agreement dated as of March 15, 1995" without making specific reference to this Supplement, but nevertheless all such references shall be deemed to include this Supplement unless the context shall otherwise require.

* * * * *

IN WITNESS WHEREOF, the Debtor has caused this Supplement to be executed and delivered, and the Secured Party, in evidence of its acceptance of the trusts hereby created, has caused this Supplement to be executed and delivered on the day and year first above written.

DEBTOR:

WILMINGTON TRUST COMPANY, not
in its individual capacity but
solely as Trustee, as Debtor

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

SECURED PARTY:

STATE FARM LIFE INSURANCE
COMPANY, as Secured Party

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ of _____, 1995, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, say that they are, respectively, the _____, and _____, of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ day of _____, 1995, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, say that they are _____, respectively, of STATE FARM LIFE INSURANCE COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 1995, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, say that they are _____, respectively, of STATE FARM LIFE INSURANCE COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

SCHEDULE 1
(to Loan and Security Agreement Supplement)
DESCRIPTION OF ITEMS OF EQUIPMENT

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely
as Trustee under Kansas Rail Trust 1995

7.89% SECURED NOTE

No. R-

_____, 199_
PPN: _____

\$

FOR VALUE RECEIVED, the undersigned, WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Trustee (the "Debtor") under that certain Trust Agreement dated as of March 15, 1995 (the "Trust Agreement") between it and NORLEASE, INC. (the "Trustor"), promises to pay to

or registered assigns,
the principal sum of

DOLLARS (\$)

together with interest from the date hereof until maturity at the rate of 7.89% per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months) on the unpaid principal hereof, in installments as follows:

(i) One installment of interest only in the amount set forth in the amortization schedule attached hereto payable on May 31, 1995; followed by

(ii) One hundred forty-three (143) installments, including principal and interest, in the respective amounts set forth in the amortization schedule attached hereto, payable on June 30, 1995 and on the last day of each month thereafter to and including April 30, 2007; followed by

(iii) A final installment on May 31, 2007 in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date;

and to pay interest on overdue principal and (to the extent legally enforceable) on overdue interest at the rate of 9.89% per annum after maturity, whether by acceleration or otherwise, until paid. Both the principal hereof and interest hereon are payable to the registered holder hereof in such coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

EXHIBIT A
(to Loan and Security Agreement)

This Note is one of the 7.89% Secured Notes of the Debtor not exceeding \$12,101,574.85 in aggregate principal amount (the "Notes") which is issued under and pursuant to the Participation Agreement dated as of March 15, 1995 among the Debtor, the Trustor, Kansas City Southern Railway Company (the "Lessee") and State Farm Life Insurance Company, as lender, and which is also issued under and equally and ratably with said other Notes secured by that certain Loan and Security Agreement dated as of March 15, 1995 (the "Loan Agreement") between the Debtor and the Secured Party. Reference is made to the Loan Agreement and all supplements and amendments thereto executed pursuant to the Loan Agreement for a description of the collateral, the nature and extent of the security and rights of the Secured Party, the holder or holders of the Notes and of the Debtor in respect thereof.

Certain prepayments are required to be made on this Note and any other Notes outstanding under the Loan Agreement. The Debtor agrees to make the required prepayments on the Notes in accordance with the provisions of the Loan Agreement.

The terms and provisions of the Loan Agreement and the rights and obligations of the Secured Party and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Loan Agreement.

This Note is a registered Note and is transferable only by surrender thereof at the principal office of the Debtor, duly endorsed or accompanied by a written instrument of transfer, duly executed by the registered holder of this Note or his attorney duly authorized in writing.

This Note and the Loan Agreement are governed by and construed in accordance with the laws of the State of Illinois.

It is expressly understood and agreed by and between the Debtor, the Trustor and the holder of this Note and their respective successors and assigns that this Note is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Trustor, or for the purpose or with the intention of binding Wilmington Trust Company or the Trustor in its individual capacity or personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Note is executed and delivered by Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Trustee under the Trust Agreement, that nothing herein contained shall be construed as creating any

liability on Wilmington Trust Company or the Trustor, in its individual capacity or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, employee, officer or director of, Wilmington Trust Company or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of this Note and by each and every person now or hereafter claiming by, through or under the holder of this Note, and that so far as Wilmington Trust Company or the Trustor, in its individual capacity or personally are concerned, the holder of this Note and any person claiming by, through or under the holder of this Note shall look solely to the Collateral as defined in the Loan Agreement for the performance of any obligation under this Note, provided, however, that except as herein provided, nothing in this paragraph shall be construed to limit or otherwise modify the rights and remedies of the holder of this Note contained in Section 5 of the Loan Agreement, and, provided, further, that nothing contained in this paragraph shall be construed to limit the liability of the Debtor in its individual capacity for any breach of any representations or warranties of the Debtor in its individual capacity set forth in the Participation Agreement or the Loan Agreement or to limit the liability of the Debtor for gross negligence or willful misconduct. Any obligation of the Debtor hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Debtor as Trustee thereunder.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed.

WILMINGTON TRUST COMPANY, not
in its individual capacity but
solely as Trustee

By _____
Its: Vice President

NOTICE

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO
THE SECURITIES ACT OF 1933 OR UNDER THE
SECURITIES LAWS OF ANY STATE. THE NOTE MAY
NOT BE OFFERED OR SOLD UNLESS IT IS REGISTERED
UNDER THE APPLICABLE SECURITIES LAWS OR UNLESS
AN EXCEPTION FROM SUCH REGISTRATION IS
AVAILABLE.

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